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**CAMERON COMMUNITY ACTION
AGENCY, INC.**

Financial Statements

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/11/11



Broussard & Company
Certified Public Accountants

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cameron Community Action Agency, Inc.
Grand Lake, Louisiana

We have audited the accompanying statement of financial position of Cameron Community Action Agency, Inc. (the Agency) (a non-profit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of the combining statement of financial position and government grant revenue is presented for purposes of additional analysis and is not a required part of the financial statements of the Agency. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Agency. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying



Board of Directors
Cameron Community Action Agency, Inc.
Lake Charles, Louisiana

accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Broussard and Company".

Lake Charles, Louisiana
April 27, 2011

Cameron Community Action Agency, Inc.
Statement of Financial Position
As of December 31, 2010

Assets

Assets	
Cash and cash equivalents	\$ 155,590
Grant receivables	24,924
Inventory	3,161
Prepaid expenses	23,898
Property and equipment, net of accumulated depreciaton of \$395,478	<u>3,786,372</u>
Total Assets	<u>\$ 3,993,945</u>

Liabilities and Net Assets

Liabilities	
Accounts payable	\$ 9,126
Accrued payroll	<u>8,638</u>
Total Liabilities	<u>17,764</u>
Net Assets	
Unrestricted net assets	<u>3,976,181</u>
Total Net Assets	<u>3,976,181</u>
Total Liabilities and Net Assets	<u>\$ 3,993,945</u>

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
Statement of Activities
For the Year Ended December 31, 2010

	<u>Unrestricted</u>
Revenues	
Government grants	\$ 1,206,873
Program service fees and donations	59,389
Interest income	46
	<hr/>
Total Revenues	1,266,308
	<hr/>
Expenses	
Program Services:	
Head Start	765,975
American Recovery and Reinvestment Act (ARRA)	23,924
Community Services Block Grant - ARRA	91,945
Community Services Block Grant (CSBG)	58,295
Child and Adult Care Food Program (CACFP)	52,960
Low-Income Home Energy Assistance Program (LIHEAP)	86,825
Local funds and programs	87,671
Teen center	31,022
Head Start parent involvement	22,831
	<hr/>
Total Program Services	1,221,448
	<hr/>
Change in Net Assets	44,860
	<hr/>
Net Assets - Beginning of Year (As Restated - Note 9)	3,931,321
	<hr/>
Net Assets - End of Year	\$ 3,976,181
	<hr/>

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc
Schedule of Functional Expenses
For the Year Ended December 31, 2010

	Program Services									
	Head Start	ARRA	CSBG - ARRA	CSBG	CACFP	LIHEAP	Local funds	Teen Center	Parent Involvement	Total
Salaries	\$ 341,455	\$ 19,000	\$ 33,079	\$ 28,699	\$ -	\$ -	\$ 25,037	\$ 22,918	\$ -	\$ 470,188
Payroll taxes	33,302	1,520	2,898	2,737	-	-	7,528	3,591	-	51,576
Fringe benefits	37,313	3,404	-	-	-	-	4,673	-	-	45,390
Direct emergency assistance	-	-	52,677	1,615	-	-	-	-	-	54,292
Utility assistance	-	-	-	-	-	-	1,500	-	-	84,786
Contracted Services	22,962	-	-	2,400	-	83,286	6,245	-	-	31,607
Parent Involvement	-	-	-	-	-	-	-	-	22,831	22,831
Supplies and materials	32,232	-	-	-	4,400	-	29,351	4,403	-	70,386
Classroom supplies	84,620	-	-	-	-	-	3,363	-	-	87,983
Office supplies	977	-	653	6,304	-	2,039	-	-	-	9,973
Repairs and maintenance	6,342	-	-	-	-	-	7,317	7	-	13,666
Training and seminars	15,046	-	-	-	-	-	-	-	-	15,046
Travel	-	-	974	1,444	-	-	66	103	-	2,587
Utilities	33,600	-	-	9,288	-	-	-	-	-	42,888
Insurance	29,923	-	1,664	2,798	-	-	-	-	-	34,385
Rent	-	-	-	2,385	-	-	-	-	-	2,385
Dues	-	-	-	625	-	-	-	-	-	625
Food purchases	-	-	-	-	-	43,079	-	-	-	43,079
Depreciation	126,705	-	-	-	-	-	-	-	-	126,705
Miscellaneous	1,498	-	-	-	5,481	1,500	2,591	-	-	11,070
Total functional expenses	\$ 765,975	\$ 23,924	\$ 91,945	\$ 58,295	\$ 52,960	\$ 86,825	\$ 87,671	\$ 31,022	\$ 22,831	\$ 1,221,448

See accompanying notes to financial statements

Cameron Community Action Agency, Inc
Schedule of Functional Expenses
For the Year Ended December 31, 2010

	Head Start	Program Services										Total
		ARRA	CSBG - ARRA	CSBG	CACFP	LIHEAP	Local funds	Teen Center	Parent Involvement			
Salaries	\$ 341,455	\$ 19,000	\$ 33,079	\$ 28,699	\$ -	\$ -	\$ 25,037	\$ 22,918	\$ -	\$ -	\$ 470,188	
Payroll taxes	33,302	1,520	2,898	2,737	-	-	7,528	3,591	-	-	51,576	
Fringe benefits	37,313	3,404	-	-	-	-	4,673	-	-	-	45,390	
Direct emergency assistance	-	-	52,677	1,615	-	-	-	-	-	-	54,292	
Utility assistance	-	-	-	-	-	83,286	1,500	-	-	-	84,786	
Contracted Services	22,962	-	-	2,400	-	-	6,245	-	-	-	31,607	
Parent Involvement	-	-	-	-	-	-	-	-	22,831	-	22,831	
Supplies and materials	32,232	-	-	-	4,400	-	29,351	4,403	-	-	70,386	
Classroom supplies	84,620	-	-	-	-	-	3,363	-	-	-	87,983	
Office supplies	977	-	653	6,304	-	2,039	-	-	-	-	9,973	
Repairs and maintenance	6,342	-	-	-	-	-	7,317	7	-	-	13,666	
Training and seminars	15,046	-	-	-	-	-	-	-	-	-	15,046	
Travel	-	-	974	1,444	-	-	66	103	-	-	2,587	
Utilities	33,600	-	-	9,288	-	-	-	-	-	-	42,888	
Insurance	29,923	-	1,664	2,798	-	-	-	-	-	-	34,385	
Rent	-	-	-	2,385	-	-	-	-	-	-	2,385	
Dues	-	-	-	625	-	-	-	-	-	-	625	
Food purchases	-	-	-	-	43,079	-	-	-	-	-	43,079	
Depreciation	126,705	-	-	-	-	-	-	-	-	-	126,705	
Miscellaneous	1,498	-	-	-	5,481	1,500	2,591	-	-	-	11,070	
Total functional expenses	\$ 765,975	\$ 23,924	\$ 91,945	\$ 58,295	\$ 52,960	\$ 86,825	\$ 87,671	\$ 31,022	\$ 22,831	\$ -	\$ 1,221,448	

See accompanying notes to financial statements

Cameron Community Action Agency, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2010

Cash Flows From Operating Activities

Change in net assets	\$ 44,860
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	126,705
(Increase) in grants receivable	(879)
Decrease in inventory	154
(Increase) in prepaid expenses	(129)
Increase in accounts payable	2,907
Increase in accrued payroll	1,444
	<hr/>
Net Cash Provided by Operating Activities	175,062

Cash Flows From Investing Activities

Purchase of buildings and equipment	<hr/> (185,330)
Net Cash Used by Operating Activities	<hr/> (185,330)
Net Decrease in Cash and Cash Equivalents	(10,268)

Cash and Cash Equivalents - Beginning of Year	<hr/> 165,858
Cash and Cash Equivalents - End of Year	<hr/> <hr/> \$ 155,590

See accompanying notes to financial statements.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements
December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Cameron Community Action Agency, Inc. (the Agency) is a private nonprofit corporation and was incorporated in January of 1987. The Agency will continue in existence for ninety-nine years per its charter and is governed by a board of directors consisting of elected officials, clergymen, local business leaders, advocates for the poor and other interested individuals. The Agency receives grants from the federal and state governments to conduct various service programs.

Service programs include but are not limited to Head Start, Community Service Block grants (CSBG), Child and Adult Food Program (CACFP) and the Low-Income Home Energy Assistance Program (LIHEAP). Head Start provides educational, psychological, nutritional, medical, and social services to the Area's economically challenged pre-school children. CSBG funds are used for administrative and other budgeted purposes as well as direct emergency assistance for qualifying residents. CACFP provides food and food service supplies to the children enrolled in the Head Start program. LIHEAP funds are used for the payment of home energy bills for qualifying residents.

In addition, the Agency handles local funds for energy grants, medical assistance and teen outreach programs as well as dealing with housing issues for qualifying residents.

Income Taxes

The Agency is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is included in the financial statements.

The Agency is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the Agency's gross receipts. The Agency is in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave accumulates at a rate of 1.5 days per month and is not payable upon termination or resignation. Vacation leave accumulates at the same rate after three months of service has been completed. Upon termination or resignation, a maximum of nine days can be paid to an employee. This same amount can be carried over from year to year. Any liability as of December 31, 2010 would be considered immaterial and has not been recorded on the Agency's accounting records.

Property and Equipment

The Agency capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight line basis over the estimated useful life of the asset. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Agency generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Agency but these services do not meet the criteria for recognition as contributed services.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donations

Donations received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2010 consists of the following:

Buildings	\$ 3,974,180
Vehicles	158,123
Equipment	<u>49,547</u>
	4,181,850
Less accumulated depreciation	<u>(395,478)</u>
Net property and equipment	<u>\$ 3,786,372</u>

Depreciation expense for the year ended December 31, 2010 was \$126,705.

NOTE 3 - FAIR VALUE MEASUREMENTS

The fair value of financial instruments classified as current assets, including cash, approximate the carrying value, principally because of the short maturity of those items.

NOTE 4 - ECONOMIC DEPENDENCY

The Agency receives a substantial portion of its total support and revenues from the U.S. Department of Health and Human Services for the Head Start program. A significant reduction in the level of this support or suspension in funding would have an adverse effect on the continuing operations of the Agency.

NOTE 5 - SUBSEQUENT EVENTS

The Agency evaluated its December 31, 2010 financial statements for subsequent events through April 27, 2011, the date of which the financial statements were available to be issued. The Agency is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 6 - BOARD COMPENSATION

Members of the Agency 's Board of Directors receive no compensation and are reimbursed only for any expenses incurred relating to the Agency's business which must have appropriate supporting documentation.

CAMERON COMMUNITY ACTION AGENCY, INC.
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 7 – GRANT REVENUE

The Agency's major source of revenue is federal and state governmental grants. The use of these funds is restricted to the purpose set forth in the individual grant agreement. Such grants are subject to review and audit by the grantor agencies. The result of such reviews or audits could result in requests for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the grant. In the opinion of the Agency's management, such disallowances and requests for reimbursements, if any, will not be significant.

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses were allocated in the accompanying financial statements to program service functional expense groups. The methods of allocation were based on several factors such as utilization of office space as well as the Agency's estimates of the relative proportion of various staff members' time and effort between program and administrative functions.

NOTE 9 – RESTATEMENT OF BEGINNING NET ASSETS

The prior year ending net assets balance did not include a number of accounts in accordance with accounting principles generally accepted in the United States and the accrual basis of accounting. These accounts included grants receivable, inventory, prepaid expenses, accounts payable and accrued payroll. The December 31, 2010 amounts for these accounts are reflected in the current financial statements. In order to offset the impact the impact to the current year financial statements, prior period adjustments were posted that impacted the net asset beginning balance. The summary of these prior period adjustments are as follows and reflect the account balances as of December 31, 2009 for grant receivables, inventory, prepaid expenses and accrued payroll. For accounts payable, the below prior period adjustment represents additional payables that should have been recorded as of December 31, 2009.

Beginning net assets, as originally reported	\$ 3,891,356
Grant receivables	24,045
Inventory	3,315
Prepaid expenses	23,769
Accounts payable	(3,970)
Equipment	(7,194)
Beginning net assets, as restated	<u>\$ 3,931,321</u>

Cameron Community Action Agency, Inc.
Combining Statement of Financial Position
For the Year Ended December 31, 2010

	Local Funds	CACFP	CSBG	Head Start	Total
Assets					
Cash and cash equivalents	\$ 57,878	\$ 7,639	\$ 19	\$ 90,054	\$ 155,590
Grant receivables	9,163	4,172	11,589	-	24,924
Inventory	-	3,161	-	-	3,161
Prepaid expenses	-	-	-	23,898	23,898
Property and equipment, net of accumulated depreciation of \$395,478	-	-	-	3,786,372	3,786,372
Total Assets	\$ 67,041	\$ 14,972	\$ 11,608	\$ 3,900,324	\$ 3,993,945
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 3,133	\$ 3,238	\$ 384	\$ 2,371	\$ 9,126
Accrued payroll	1,823	-	-	6,815	8,638
Total Liabilities	4,956	3,238	384	9,186	17,764
Net Assets					
Unrestricted net assets	62,085	11,734	11,224	3,891,138	3,976,181
Total Net Assets	62,085	11,734	11,224	3,891,138	3,976,181
Total Liabilities and Net Assets	\$ 67,041	\$ 14,972	\$ 11,608	\$ 3,900,324	\$ 3,993,945

See accompanying notes to financial statements.

Cameron Community Action Agency, Inc.
Schedule of Government Grant Revenue
For the Year Ended December 31, 2010

Head Start	\$ 818,501
CSBG - ARRA	91,945
CSBG	58,299
CACFP	52,960
LIHEAP	86,825
ARRA	23,924
Local grants	<u>74,419</u>
Total	<u><u>\$ 1,206,873</u></u>

See accompanying notes to financial statements.



Broussard & Company
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Cameron Community Action Agency, Inc.
Grand Lake, Louisiana

We have audited the financial statements of Cameron Community Action Agency, Inc. (a nonprofit organization) (the Agency) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency, 10-1(IC), described in the accompanying schedule of findings and questioned costs to be a material weakness.



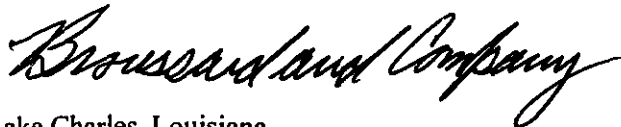
Board of Directors
Cameron Community Action Agency, Inc.
Lake Charles, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The agency's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Broussard and Company".

Lake Charles, Louisiana
April 27, 2011



Broussard & Company
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Cameron Community Action Agency, Inc.
Grand Lake, Louisiana

Compliance

We have audited the compliance of the Cameron Community Action Agency, Inc.'s (the Agency) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2010. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Cameron Community Action Agency, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Board of Directors
Cameron Community Action Agency, Inc.
Grand Lake, Louisiana

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133,, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Lake Charles, Louisiana
April 27, 2011

CAMERON COMMUNITY ACTION AGENCY, INC.

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Direct programs:			
Head Start	93.600		\$ 818,548
ARRA - Quality	06SE2405-01		23,924
Pass-through programs from:			
Louisiana Workforce Commission			
Community Services Block Grant - ARRA	93.570	2009N0086	91,945
Community Services Block Grant	93.569	2009N0086	58,295
Louisiana Housing Finance Authority			
Low-Income Home Energy Assistance	93.568		<u>86,825</u>
Total Department of Health and Human Services			1,079,537
U.S. Department of Agriculture:			
Passed through:			
Louisiana Department of Education			
Child and Adult Care Food Program	10.558		<u>\$ 52,960</u>
Total expenditures of federal awards			<u>\$ 1,132,497</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Cameron Community Action Agency, Inc. (the Agency) under programs of the federal government for the year ended December 31, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CAMERON COMMUNITY ACTION AGENCY, INC.

**Schedule of Findings and Questioned Cost
Year Ended December 31, 2010**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued			Unqualified
Internal control over financial reporting:			
Material weaknesses identified?	<u> x </u>	Yes	<u> </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> x </u> None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> x </u> No

Federal Awards

Internal control over major programs:				
Material weaknesses identified?	<u> </u>	Yes	<u> x </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> x </u>	None reported
Type of auditor's report issued on compliance for major programs:				Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	<u> </u>	Yes	<u> x </u>	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	US Department of Health and Human Services, Head Start

Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes x No

No Separate Management Letter Issued

CAMERON COMMUNITY ACTION AGENCY, INC.

**Schedule of Findings and Questioned Cost
Year Ended December 31, 2010**

Internal Control over Financial Reporting

Current Year Findings and Questioned Costs

10-1(IC) Material Weakness

Condition:	The Agency does not have a staff person who has the qualifications and training to apply generally accepted accounting principles in recording the Agency's financial transactions or preparing its financial statements, including the related notes.
Criteria:	Internal controls should be in place that provide reasonable assurance that management review of financial results occurs in order to minimize the risk of a material misstatement.
Cause:	Financial statements encompassing the Agency's entire operations are not produced.
Effect:	Material misstatements in the Agency's financial statements could occur.
Recommendation:	Management should put in a place a financial statement review that includes the Agency's entire operation.
Corrective Action:	The Agency has evaluated the cost versus benefit of establishing internal controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and determined that it is in its best interests to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Prior Year Findings and Questioned Costs

09-1(IC) Material Weakness – The condition was that due to the small number of employees, the Agency did not have adequate segregation of functions within the accounting system.

09-2(IC) Material Weakness – This is the same as the above current year finding.

Compliance

There were no findings related to compliance during the fiscal year ending December 31, 2010.

There was one finding in the prior year relating to the fact that the audit was not issued in a timely manner which was defined as within six month of its year end of December 31, 2009.